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Pamphlet 735-5

Property Accountability

Survey Officer's Guide

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SUMMARY of CHANGE

DA PAM 735-5
Survey Officer's Guide

This new Department of the Army pamphlet explains the procedures for conducting a report of survey investigation.

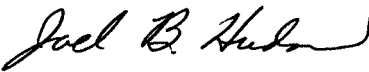
Property Accountability

Survey Officer's Guide

By Order of the Secretary of the Army:

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History. This UPDATE printing publishes a new Department of the Army Pamphlet.

Summary. This pamphlet is a survey officer's guide. It is designed to help the survey officer conduct a competent and efficient report of survey investigation. The Army has

billions of dollars invested in supplies and equipment. When any of these supplies and equipment are lost, damaged, or destroyed, it is essential to determine the cause of the loss so corrective action can be taken to preclude further losses. When the loss is the result of negligence or willful misconduct on the part of an individual or several individuals, then it is proper to assess financial liability against the individual(s) for the cost of the loss.

Applicability. This pamphlet applies to the Active Army, the Army National Guard, and the U.S. Army Reserve.

Proponent and exception authority. The proponent of this pamphlet is the Deputy Chief of Staff for Logistics. The Deputy Chief of Staff for Logistics has the authority to approve exceptions to this pamphlet that are consistent with controlling law and regulation. Proponents may delegate this approval authority, in writing, to a division chief under their supervision within the proponent agency

who holds the grade of colonel or the civilian equivalent.

Interim changes. See AR 25-30, change 2.

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to U.S. Army Logistics Integration Agency, ATTN: LOIA-LM, 54 M Avenue, Suite 4, New Cumberland, PA 17070-5007.

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Chapter 1

Survey Officer Appointment

1-1. Purpose

This pamphlet provides guidance to individuals appointed as survey officers on conducting and documenting report of survey investigations.

1-2. References

Required and related publications and prescribed and referenced forms are listed in appendix A.

1-3. Explanation of abbreviations and terms

Abbreviations and special terms used in this pamphlet are explained in the glossary.

1-4. Introduction

You have been appointed as the survey officer to investigate the loss of Government property, and therefore, with investigating the circumstances involving the loss. Based on the investigation you will make findings and recommendations. The approving authority (the individual who will take final action on the report of survey for the Secretary of the Army) will use these findings and recommendations in making the final decision. The decision could be to relieve all concerned of responsibility and accountability for the loss, or to assess financial liability against an individual, or individuals. This places a great deal of responsibility on you to conduct a fair, impartial and thorough investigation.

1-5. Policy

The policy for conducting report of survey investigations is contained in AR 735-5, Policies and Procedures for Property Accountability. Chapter 12 explains the methods for obtaining relief from responsibility for property. Chapter 13 covers the report of survey system. Chapter 14 addresses special procedures used to account for property losses under special circumstances. The procedures contained in this pamphlet are derived from the policy contained in AR 735-5, DoD 7200.10-M, Title 10, U.S. Codes 2775 and 4832, and Title 37, U.S. Code 1007(e).

1-6. Appointment

A survey officer is appointed by either the approving authority or an appointing authority. The appointment is made on DA Form 4697 (Department of the Army Report of Survey), with blocks 21 through 25 completed to show the appointment of the survey officer, as

shown in figure 1-1. The following individuals may be appointed as a survey officer—

- a.* Army commissioned or warrant officers.
- b.* Army noncommissioned officers in the military grade of sergeant first class, or above.
- c.* Civilian employees in the grade of GS-7, or above; or wage leader and wage supervisory employees.
- d.* In joint DoD service activities, any assigned DoD commissioned or warrant officer, or noncommissioned officer in the pay grade of E7, or above.
- e.* Foreign national employees, GS-7 equivalent or above, for reports of survey originating within Civilian Support Centers.

1-7. Seniority of survey officer

As the survey officer, you should be senior to any individual subject to the potential assessment of financial liability. If during the investigation you find you are not senior, or that completing the investigation will require you to examine the conduct or performance of duty of persons senior to you, report this to the approving authority. The approving authority will either excuse you and appoint another individual who is senior, or direct you to continue the investigation. If the approving authority directs you to continue the investigation, he or she will document the military exigency (urgency) that prevented appointing another survey officer. This should be attached to the report of survey as an exhibit. Mark the exhibit as shown in paragraph 3-1f below.

1-8. Time constraints

It is important to start the investigation right away, while the facts and circumstances are still fresh in everyone's mind. Normally you are given 30 calendar days to conduct the investigation and document the findings and recommendations. If a member of the U.S. Army Reserve or the Army National Guard, you are normally allowed 60 calendar days. If unable to complete the investigation in the time allotted, you must explain, in writing, why there was a delay and attach the explanation to the report of survey as an exhibit. Mark the exhibit as shown in paragraph 3-1f.

1-9. Number of copies

The report of survey you received from the approving authority or the appointing authority should look similar to the one in figure 1-2. The report of survey packet and attached exhibits should be in original with copies (number as prescribed by the local command).

21. APPOINTING AUTHORITY 16th DMMC Commander		22. STATION Ft WayOut, TX 79999-5001		23. DATE 17 May 1996	
24. NAME, GRADE OF SURVEYING OFFICER Brian M. Longenecker, 1Lt					
25. YOU ARE APPOINTED SURVEYING OFFICER BY ORDER OF: William E. Connely, LTC, Commanding (Typed name, grade of Appointing Authority)					
26. FINDINGS AND RECOMMENDATION I have examined all available evidence as shown in exhibits _____ to _____ and as indicated below have personally investigated the same and it is my belief that the article(s) listed hereon and/or attached to sheets, total cost \$ _____					
27. RECOMMEND PECUNIARY CHARGE		a. ACTUAL LOSS		b. AMOUNT CHARGED	
c. LOSS TO GOVERNMENT					
28. DATE		29a. TYPED NAME, GRADE OF SURVEYING OFFICER		b. SIGNATURE	
30. I have examined the findings and recommendations of the Surveying Officer on this report of survey and the exhibits _____ to _____ and <input type="checkbox"/> desire to make a statement which is attached hereto; <input type="checkbox"/> do not desire to make a statement. I am aware of my right to legal advice in preparing the statement and, if a pecuniary charge is finally approved, to make appeal and (If an enlisted man) my right to request remission of indebtedness. I am/am not the accountable officer for the lost or damaged property. The property was/was not my personal arms or equipment.					
31. DATE		32a. TYPED NAME, GRADE OF INDIVIDUAL BEING CHARGED		b. SIGNATURE	
33. RECOMMENDATION BY THE APPOINTING AUTHORITY <input type="checkbox"/> CONCUR <input type="checkbox"/> NONCONCUR		34. COMMENTS			
35. DATE		36a. TYPED NAME, GRADE & TITLE OF APPOINTING AUTH		b. SIGNATURE	
37. APPROVING AUTHORITY					
a. <input checked="" type="checkbox"/> REJECTED. Investigation is required. Appoint a survey officer. Date _____ Initials _____ b. <input type="checkbox"/> REJECTED. Investigation incomplete. Additional information required. Date _____ Initials _____ c. <input type="checkbox"/> APPROVED BY AUTHORITY OF THE SECRETARY OF THE ARMY.				38. PECUNIARY CHARGE	
				a. ACTUAL LOSS	
				b. AMOUNT CHARGED	
				c. LOSS TO GOVERNMENT	
39. DATE		40a. TYPED NAME, GRADE & TITLE OF APPROVING AUTH		b. SIGNATURE	

Figure 1-1. Sample DA Form 4697 (blocks 21 thru 25 completed)

DEPARTMENT OF THE ARMY REPORT OF SURVEY <small>For use of this form, see AR 735-11; the proponent agency is DCSLOG</small>		1. DATE PREPARED 10 May 1996	2. SURVEY NUMBER 96-032
3. TYPE OF PROPERTY Organizational		4. ADDRESS OF ACCOUNTABLE OFFICER DMMC, 16th Inf Div, Ft Way Out, TX, UIC: WABCD E	
5. ORIGINATOR (Accountable officer, or primary hand receipt holder) Thomas E. Elliott, CPT, Commanding, HHC, 16th Inf			
6. NATIONAL STOCK NUMBER 5855-01-228-0936	7. ITEM DESCRIPTION Night vision goggles, AN/PVS-5C, SN: 23954C, RICC 2, No residue <div style="text-align: right;">Grand Total</div>	8. QTY 1 ea	9. UNIT PRICE \$4300.00 <div style="text-align: right;">\$4300.00</div>
11. DATE AND CIRCUMSTANCES <p>On 6 May 1996, 2LT Charles D. Casey and PFC Libby M. Hart (driver) returned to main post to pickup mail for soldiers in the field. At the postal facility, both 2LT Casey and PFC Hart dismounted the vehicle and entered the postal facility at approximately 1020 hours. On returning to the vehicle at approximately 1045 hours, 2LT Casey discovered that someone had entered the vehicle and removed a pair of night vision goggles. The night vision goggles were issued to 2LT Casey for his exclusive use during the field training exercise (Clean Sweep), exhibit A, hand receipt to 2LT Casey. Upon discovering the night vision goggles were taken, 2LT Casey notified the Installation Military Police. On their arrival at 1050 hours, they questioned both 2LT Casey and PFC Hart, exhibits B and C to determine what had happened. There were no other persons in the vicinity of where they had parked their vehicle, consequently there were no other statements taken. In 2LT Casey's statement, exhibit B, he indicated he did not check if PFC Hart locked all the doors before leaving the vehicle. He indicated he had left the night vision goggles on the floor between the front and back seats. In PFC Hart's statement, exhibit C, she indicated she locked her side of the vehicle before leaving the vehicle to go into the post office. She indicated further that she did not know the night vision goggles were in the vehicle. She recalls 2LT Casey placing something behind his seat when she picked him up from the Division Main earlier that morning. Exhibits A through C attached.</p>			
12. AFFIDAVIT <small>I do solemnly swear (or affirm) that (to the best of my knowledge and belief) the articles of public property shown above and/or on attached sheets were lost, destroyed, damaged, or worn out in the manner stated, while in the public service.</small>		SIGNATURE AND DATE 10 May 96 <i>Thomas E. Elliott</i> TYPED NAME, GRADE, AND SSN Thomas E. Elliott, CPT Commanding	
		NOTE: If the approving authority has designated an appointing authority, blocks 17-20 will be completed by the appointing authority, otherwise they will be left blank.	
14. DATE 14 May 1996	15. NAME, GRADE, AND SIGNATURE OF ACCOUNTABLE OFFICER <i>Ambrose F. Oberdorf</i> Ambrose F. Oberdorf, MAJ Property Book Officer		16. DOCUMENT NUMBER 6135-9034
17. APPOINTING AUTHORITY I have received the evidence pertaining to the lost, damaged, or destroyed property, and have determined that the following action is required. a. <input type="checkbox"/> No further investigation is required. There is no positive evidence of negligence. I do not suspect willful misconduct or deliberate unauthorized use. I hereby forward this document to the approving authority for final action. (Proceed to block 37.) b. <input type="checkbox"/> The circumstances surrounding the lost, damaged or destruction warrants further investigation. (Proceed to block 21.) c. <input type="checkbox"/> Conduct an investigation according to AR 15-6. Attach this document, as an exhibit, to the investigation and forward it to the approving authority.			
18. DATE	19. TYPED NAME, GRADE, AND TITLE OF APPOINTING AUTHORITY	20. SIGNATURE	

DA FORM 4697
SEP 81

DA FORM 4696 (TEST), 1 JUL 78 and DA FORM 4697 (TEST), 1 JUL 78 ARE OBSOLETE.

Figure 1-2. Sample DA Form 4697 (blocks 1 thru 16 completed)

Chapter 2 Preliminary Actions

2-1. Familiarize yourself with report of survey procedures and terms

Take some time now and read the report of survey, DA Form 4697. Pay particular attention to block 11 (Date and Circumstances) and the contents of any exhibits. Familiarize yourself with the property that was lost, damaged, or destroyed as identified in blocks 6 through 10. If it has been a while since you have conducted a report of survey investigation, or if this is your first experience, take some time now to read the procedures contained in this pamphlet and AR 735-5, chapter 13. Some key terms to know and be familiar with are discussed below —

a. Loss. Loss is the loss of, damage to, or destruction of U.S. Government property under the control of the Army. Loss includes a loss from accountability. Property is considered lost when it cannot be found, or accounted for, by the last responsible person in the audit trail.

b. Responsibility.

(1) *General.* The type of responsibility a person has for property signifies the obligations that person has for the property. The different types of responsibility for property are defined in AR 735-5, paragraph 2-8. They are repeated here because the type of responsibility a person has for the lost, damaged or destroyed property is a very important element in the conduct of the report of survey investigation.

(2) *Command responsibility.* Command responsibility is the obligation of a commander to ensure all Government property within his or her command is properly used and cared for. This includes providing the proper custody and safekeeping of the property. Command responsibility is inherent in all positions of command and cannot be delegated. It is evidenced by assignment to a command position at any level. Command responsibility includes —

(a) Ensuring that security is provided for all property within the command, whether the property is in use or in storage.

(b) Observing subordinates to ensure their activities contribute to the proper use, care, custody, and safekeeping of all property within the command.

(c) Enforcement of all security, safety, and accounting requirements.

(d) Taking administrative and/or disciplinary actions when necessary.

(3) *Supervisory responsibility.* Supervisory responsibility is the obligation of a supervisor to ensure all Government property issued to, or used by, his or her subordinates, is properly used and cared for. It includes providing proper custody and safekeeping of the property. Supervisory responsibility is inherent in all supervisory positions. It is not contingent upon signed receipts or responsibility statements. Supervisory responsibility arises by assignment to a supervisory position. It includes —

(a) Providing proper guidance and direction to subordinate personnel.

(b) Enforcement of all security, safety, and accounting requirements.

(c) Maintaining a supervisory climate that facilitates and ensures the proper use and care of Government property.

(4) *Direct responsibility.* Direct responsibility is the obligation of a person to ensure all Government property, for which he or she has receipted, is properly used and cared for. It includes providing proper custody and safekeeping. Direct responsibility results from assignment as an accountable officer, the receipt of formal written delegation, or the acceptance of the property on a hand receipt from an accountable officer.

(5) *Custodial responsibility.* The obligation of an individual for property in storage, awaiting issue or turn-in, to exercise reasonable and prudent actions to properly care for, and ensure proper custody and safekeeping of the property are provided. Custodial responsibility results from assignment as a supply sergeant, supply custodian,

supply clerk, or warehouse person, and is rated by and answerable directly to the accountable officer or the individual having direct responsibility for the property. Responsibilities include—

(a) Ensuring the security of all property stored within the supply room and storage annexes, belonging to the supply room or SSA, is adequate.

(b) Observing subordinates to ensure their activities contribute to the proper custody, care, and safekeeping of all property within the supply room and storage annexes belonging to the supply room or SSA.

(c) Enforcing all security, safety, and accounting requirements.

(d) When unable to enforce any of these, reporting the problem(s) to their immediate supervisor.

(6) *Personal responsibility.* Personal responsibility is the obligation of a person to exercise reasonable and prudent actions to properly use, care for, and safeguard all Government property in their physical possession. It applies to all Government property issued for, acquired for, or converted to a person's exclusive use, with or without receipt.

c. Culpability. Before a person can be held financially liable, the findings must show that he or she, through negligence or willful misconduct, violated a particular duty involving the care for the property. Whether the person's actions or omissions constitute negligence depends on the circumstances of each case. Negligence under some circumstances may not reflect negligence under other circumstances. Therefore, consider fully the following factors when determining the reasonableness of a person's conduct —

(1) The person's age, experience, physical condition, and special qualifications.

(2) The type of responsibility the person(s) had toward the property.

(3) The type and nature of the property.

(4) The nature, complexity, level of danger, or urgency of the ongoing activity at the time of the loss.

(5) The adequacy of supervisory measures or guidance for property control.

(6) The feasibility of maintaining close supervision over the property given the nature and complexity of the organization or activity supervised.

(7) The extent supervision could have influenced the situation considering pressing duties or the lack of qualified assistants.

d. Proximate cause. Proximate cause is the cause which, in a natural and continuous sequence, unbroken by a new cause, produces loss, damage or destruction, and without which, the loss, damage or destruction would not have occurred. See AR 735-5, paragraph 13-28c. For additional information on the term proximate cause, see chapter 7.

e. Simple negligence. Simple negligence is the failure to act as a reasonably prudent person would have acted under similar circumstances. See AR 735-5, paragraph 13-28b(2).

f. Gross negligence. Gross negligence is the extreme departure from the course of action expected of a reasonably prudent person, accompanied by a reckless, deliberate, or wanton disregard for the foreseeable consequences of the act. See AR 735-5, paragraph 13-28b(3).

g. Willful misconduct. Willful misconduct is any intentionally wrongful or unlawful act or omission relating to Government property, to include misappropriation of Government property.

2-2. Purpose of report of survey investigation

Your task in conducting a report of survey investigation is to determine whether someone's negligence or willful misconduct was the proximate cause of the loss. If an individual was negligent, and that negligence was the cause of the loss, it is appropriate to recommend assessment of financial liability against that individual. An act of simple negligence on the part of the responsible individual is sufficient grounds for the approval authority to approve charges of financial liability.

2-3. Losses involving Government family housing and furnishings

When the loss, damage or destruction involves Government family housing and/or Government furnishings and equipment therein, it will be necessary for you to determine whether the loss resulted from gross or simple negligence, or whether willful misconduct was involved. When gross or simple negligence, or willful misconduct was the cause of the loss on the part of the individual, family member, guest or pet occupying the family housing unit, the findings should state that the loss was caused by gross or simple negligence, or willful misconduct as appropriate.

2-4. Computing the amount of financial liability

See chapter 5 for computing the amount of financial liability.

2-5. Staying free of bias and prejudice

As you begin the investigation, keep in mind that you must stay free from bias and prejudice. The investigation should not be started with preconceived ideas as to what caused the loss, or who is to blame for the loss.

Chapter 3 Investigation

3-1. Conduct of the report of survey investigation

The purpose of the report of survey investigation is to determine responsibility for the loss. To determine such responsibility, the facts contributing to the loss must be developed through investigation. As the survey officer, you must perform the investigation as thoroughly as needed to ensure the facts are fully developed, the interests of the Government are fully served, and the rights of the involved individuals are fully protected. Chapter 8 provides examples of the different types of losses and the specific factors you should consider when developing your findings and recommendations.

a. Use the statement in block 11 of DA Form 4697 and the attached exhibits to begin your investigation.

b. If the loss is property that has been damaged, first physically examine the property. After physically examining the damaged property, and determining that it is no longer needed for the investigation, prepare a release statement to release the property for repair or turn-in as appropriate. If an expert opinion is needed to determine the cause of the damage or the cost to repair it, submit the damaged property to the supporting maintenance activity for a technical inspection. Requests for technical inspection and/or estimated cost of damages are submitted on DA Form 2407 (Maintenance Request) in accordance with DA Pamphlet 738-750, paragraph 3-6b(1)(e), and figure 3-19. If you believe photographs would be helpful later on in the investigation, obtain the photographs before releasing the property for repair or turn-in.

c. Determine who to interview and obtain their statements. It is important to obtain statements from all individuals whose testimony may assist in determining the cause of the loss or those individuals who had responsibility for the loss. You should consider interviewing the accountable officer, the primary hand receipt holder and sub-hand receipt holder, the user(s) of the property and their commanders and/or supervisors, and any witnesses. Before contacting the individuals, determine what information you need to obtain from them. During the interviews, other questions may arise that will require additional interviews with persons already interviewed, or with other persons not originally considered. If this is the case, follow-up on these interviews as needed.

d. When interviewing individuals, document the interviews using DA Form 2823 (Sworn Statement). Statements provided by individuals interviewed must be typed or legibly printed in ink, and signed and dated by the individual making the statement. In the event a DA Form 2823 is not available, plain bond paper or ruled paper may be used. The word CERTIFICATE should be typed or printed legibly

across the top. The individual's statement follows, with his or her signature and the date entered at the end of the statement.

(1) When obtaining statements from persons who have some form of responsibility for the property listed on the report of survey, consider whether their statement is self-serving. When individuals have had responsibility for the property being accounted for on a report of survey, there is an excellent possibility they are not going to incriminate themselves. You must confirm through the use of other independent statements and evidence whether such statements are factual or not.

(2) There also may be a conflict in the statements provided by different persons. As the survey officer you must resolve the conflicts and determine the true facts as far as possible in making your findings. Compare the conflicting versions with other known facts and circumstances, and use common sense.

e. During interviews with individuals, other evidence will probably become available that will assist in developing your findings and recommendations. Other evidence deemed necessary in the conduct of the investigation may include copies of hand receipts, standard operating procedures, police reports, accident reports, copies of orders, other investigations, estimated cost of damages, photographs, etc. Mark this evidence, as shown in paragraph 3-1f, and attach it to the report of survey as exhibits. When evidence such as an AR 15-6 investigation is classified or sensitive, make reference to the investigation in block 26, indicating its location and the identification of the report.

f. The evidence discussed above is attached to the DA Form 4697 as exhibits. Exhibits are identified alphabetically at the bottom of each exhibit. Following the alpha designation, enter the date of the report of survey, the dollar amount of the loss, and the organization or property account to which the property belonged. As an example: Exhibit S, 24 Jun 94, \$736.43, A Co, 4/35th Inf Bn.

g. If, during the conduct of your investigation, the property is recovered, ensure accountability is reestablished using the guidance in AR 735-5, paragraph 14-16.

3-2. Personal rights

Whenever the survey officer believes it is necessary to advise a witness or respondent of their rights under the Uniform Code of Military Justice, Article 31b, they should consult with the servicing Office of the Staff Judge Advocate prior to questioning the individual.

Chapter 4 Findings and Recommendations

4-1. Developing your findings

Findings are the conclusions reached during the investigation of the loss. They are based on the facts and circumstances surrounding the loss. Findings must be supported by evidence contained in either block 11 of DA Form 4697, or by exhibits attached to the report of survey. Findings are not based on personal speculation, suspicion, or opinions not supported by evidence. Findings are the basis for forming a recommendation. It is very important that you express the findings as accurately and completely as possible.

4-2. Entering your findings

Findings are entered in block 26 of DA Form 4697, as shown in figure 4-1. When entering findings, express in your own words, on the basis of the evidence found during the investigation, how the loss occurred. Make the findings complete enough to withstand the scrutiny of later reviews by the approval authority, legal advisors, and the appeal authority. Include the total cost of the loss in block 26, and complete blocks 27a, b, and c to show the actual amount of the loss, the amount charged, and the amount of the loss to the Government. Compute the costs in accordance with chapter 5, and enter the costs per paragraph 5-5.

4-3. Reference the exhibits supporting your findings

Show that your findings are supported by evidence, by referring to the exhibits as you go along. As an example —

- a. SFC Davis had personal responsibility for the missing property based on the hand receipt at exhibit A.
- b. SPC Smith was driving the vehicle above the posted speed limit based on the military police report at exhibit C.
- c. The supply room was left unattended and unsecured on the evening of 16 May 1994, based on the charge of quarter's log at exhibit B.

4-4. Self-serving statements

When your findings rely on a self-serving statement in block 11 of DA Form 4697, or in one of the exhibits, explain how that person's statement is confirmed by other evidence in the report of survey.

4-5. Conflicting statements or evidence

When your findings rely on evidence which conflicts with other evidence, explain how you resolved the conflict.

4-6. Recommendations

After recording your findings, develop your recommendations. Your recommendations must be logical and based on the findings as well as the guidance in this pamphlet and AR 735-5. See chapter 8 for examples of the various types of losses and the considerations that should be made in determining whether assessment of financial liability is appropriate.

a. When findings reveal there was no negligence or willful misconduct on the part of anyone, make a recommendation to relieve all persons concerned of responsibility. As an example, the recommendation may read "Recommend all persons be relieved of responsibility and accountability for the lost property."

b. When the findings reveal there was negligence or willful misconduct on the part of one or more individuals, determine if the negligence was the proximate cause for the loss. In other words, without the negligent act or acts, would the loss have occurred?

(1) When the negligent act or willful misconduct is not the proximate cause of the loss, involved individuals should be relieved of responsibility for the loss. An example of a recommendation that may be used is: "Recommend all persons be relieved of responsibility and accountability for the lost property." This does not preclude the commander from taking other administrative or disciplinary actions against the individuals(s) committing the negligent act(s) or willful misconduct.

(2) When the negligent act or willful misconduct is the proximate cause of the loss, the person responsible for the negligent act(s) or act(s) of willful misconduct should be recommended for assessment of financial liability for the cost of the loss. An example of the recommendation may read: "Recommend (individual's name, grade, and SSN) be held financially liable in the amount of (\$ amount)." Compute the amount of financial liability as shown in chapter 5. When recommending charges of financial liability against an individual, include the individual's monthly base pay at the time of the loss and the expected date of their termination of service or employment.

(3) When more than one person's negligent act or act of willful misconduct are the proximate cause for the loss, those persons should be recommended for assessment of collective financial liability. The term "collective financial liability" is used when more than one individual is found financially liable for a loss. An example of the recommendation may read: Recommend (individual's name, grade and SSN) and (identify others being recommended as shown in the previous parenthesis) be held collectively financially liable in the amount of (\$ amount) and (\$ amount) respectively. Compute the amounts of collective financial liability as shown in chapter 5. Include the individuals monthly base pay at the time of the loss and the expected dates of their termination of service or employment.

c. Your recommendations should also include a recommended disposition of the accounting requirements for the lost property. A recommendation to relieve all concerned of accountability for the lost item(s), or a recommendation that accountability continue and damaged property be repaired and returned to service are appropriate, depending on the circumstances.

4-7. Findings and recommendations

Your findings and recommendations are administrative and not judicial; therefore, findings and recommendations are purely advisory and do not constitute a final determination or legal judgement. The recommendations are not binding upon the appointing authority or the approving authority. However, if you have conducted the investigation without prejudice or bias, have documented findings clearly and identified the supporting documentation, and have made recommendations that are reasonable and just based upon the findings, your recommendations are more likely to be accepted by the appointing authority and approving authority.

21. APPOINTING AUTHORITY 16th DMMC Commander		22. STATION Ft WayOut, TX 79999-5001		23. DATE 17 May 1996	
24. NAME, GRADE OF SURVEYING OFFICER Brian M. Longenecker, 1LT					
25. YOU ARE APPOINTED SURVEYING OFFICER BY ORDER OF: William E. Connely, LTC (Typed name, grade of Appointing Authority)					
26. FINDINGS AND RECOMMENDATION I have examined all available evidence as shown in exhibits <u>A</u> to <u>E</u> and as indicated below have personally investigated the same and it is my belief that the article(s) listed hereon and/or attached to sheets, total cost \$ <u>\$4300.00</u> was lost due to negligence on the part of 2LT Casey. The missing night vision goggles were issued to 2LT Casey on 29 April 1996, exhibit A. They were issued for his exclusive use during field training exercise (Clean Sweep) through 29 May 1996. 2LT Casey had personal responsibility for the night vision goggles as discussed in AR 735-5, para 2-8d. This obligated 2LT Casey to exercise reasonable and prudent actions to properly use, care for, and safeguard the night vision goggles. When 2LT Casey left the night vision goggles in plain view to anyone looking through the side windows of the vehicle, and leaving his door unlocked, he did not provide for the safeguarding of Government property in his possession. The listed item was depreciated according to AR 735-5, para 13-32, and appendix B. The total cost of the loss after allowing depreciation is \$4085.00 (Exhibit E). Since the night vision goggles were issued to 2LT Casey for his exclusive use, the night vision goggles should be considered personal arms and equipment, and he should be charged the entire amount of the loss to the Government per AR 735-5, para 13-42a(6). Recommendation: 2LT Casey, 000-00-0000, be held financially liable in the amount of \$4085, and all others be relieved from accountability and responsibility for the missing item. 2LT Casey's monthly base pay at the time of the loss was \$2785.80. His EST is indefinite.					
27. RECOMMEND PECUNIARY CHARGE		a. ACTUAL LOSS \$4085.00	b. AMOUNT CHARGED \$4085.00	c. LOSS TO GOVERNMENT 0	
28. DATE 11 June 1996		29a. TYPED NAME, GRADE OF SURVEYING OFFICER Brian M. Longenecker, 1LT		b. SIGNATURE <i>Brian M. Longenecker</i>	
30. I have examined the findings and recommendations of the Surveying Officer on this report of survey and the exhibits <u>A</u> to <u>E</u> and <input type="checkbox"/> desire to make a statement which is attached hereto; <input checked="" type="checkbox"/> do not desire to make a statement. I am aware of my right to legal advice in preparing the statement and, if a pecuniary charge is finally approved, to make appeal and (if an enlisted man) my right to request remission of indebtedness. I am am not the accountable officer for the lost or damaged property. The property was not my personal arms or equipment.					
31. DATE 14 June 1996		32a. TYPED NAME, GRADE OF INDIVIDUAL BEING CHARGED Charles D. Casey, 2LT		b. SIGNATURE <i>Charles D. Casey</i>	
33. RECOMMENDATION BY THE APPOINTING AUTHORITY <input type="checkbox"/> CONCUR <input type="checkbox"/> NONCONCUR		34. COMMENTS			
35. DATE		36a. TYPED NAME, GRADE & TITLE OF APPOINTING AUTH		b. SIGNATURE	
37. APPROVING AUTHORITY a. <input type="checkbox"/> REJECTED. Investigation is required. Appoint a survey officer. Date _____ Initials _____ b. <input type="checkbox"/> REJECTED. Investigation incomplete. Additional information required. Date _____ Initials _____ c. <input type="checkbox"/> APPROVED BY AUTHORITY OF THE SECRETARY OF THE ARMY.				38. PECUNIARY CHARGE	
				a. ACTUAL LOSS	
				b. AMOUNT CHARGED	
				c. LOSS TO GOVERNMENT	
39. DATE		40a. TYPED NAME, GRADE & TITLE OF APPROVING AUTH		b. SIGNATURE	

Figure 4-1. Sample DA Form 4697 (blocks 26 thru 29b completed)

Chapter 5 Cost of the Loss

5-1. Value of the lost, damaged or destroyed property

As a part of the report of survey investigation, it is necessary to determine the cost of the loss to the Government. When recommending assessment of financial liability, determine the amount that should be charged. The basic premise is that the charge should represent the actual cost of the loss to the Government. Actual loss to the Government is the difference between the value of the property immediately before its loss, damage, or destruction, and its value immediately after. There are four methods available for determining the actual cost of the loss to the Government. They should be considered in the following sequence.

a. When property is damaged and is repairable, use the cost to return the property to the condition it was in immediately before the incident causing the damage. The charge should be based on the actual cost of the repairs. This is obtained by submitting a request for technical inspection to the supporting maintenance activity as discussed in paragraph 3-1b. If the actual cost is not initially available, use the estimated cost of repairs. When the actual cost of repairs becomes available, attach it to the report of survey as an exhibit and amend blocks 26 through 27c of DA Form 4697 to reflect the actual cost of repairs. If the actual cost of repairs is received after the investigation is completed, and you have returned the report of survey to the approval authority or the appointing authority as appropriate, forward the actual repair costs to the approval authority. For additional information, see AR 735-5, appendix B, paragraphs B-1, B-6 and B-7.

b. If the item cannot be repaired because it is too badly damaged or it was lost, have a technical inspector determine the fair market value of the item. The fair market value is determined by a qualified technician first determining the condition of the item at the time of the loss or damage. Then review the commercial market to determine the price for similar items in similar condition that have been sold during the past 6 months. For damaged property, include the salvage credit (paragraph 5-2) in the computation. The fair market value is the preferred method of fixing the value of property at the time of the loss. However, it is not always practical because much of the Army's inventory is not available on the commercial market.

c. When the item is not repairable and a technical inspection is impossible, or the item is lost, subtract the appropriate depreciation allowance from the current price as listed in the Army Master Data File (AMDF), or the current acquisition price. As an example, a lost piece of electronic equipment that has been in use for 4 years is depreciated 5 percent per year for 4 years, for a total of 20 percent. If the value of the electronic equipment listed on the AMDF in effect at the time of the loss is \$1000, the amount of the loss would be \$800 (\$1000 less \$200 is \$800).

Note. The AMDF is published in ARMYLOG on CD ROM, and is available in most supply rooms or S-4 offices.

d. The following depreciation allowances are used when determining the value of lost and destroyed property—

(1) Organizational clothing and individual equipment (OCIE) items and non-powered hand-tools, depreciate by 10 percent for each such item, or 10 percent of the grand total, if all items are OCIE and/or non-powered hand-tools.

(2) Items made of a relatively perishable material such as leather, canvas, plastic, or rubber (excluding OCIE), depreciate by 25 percent for each such item, or by 25 percent of the grand total, if all items are made of a relatively perishable material as described above.

(3) Electronic equipment and office furniture, use 5 percent depreciation per year of service, up to 50 percent.

(4) Tactical and general purpose vehicles, use 5 percent depreciation per year of service, up to 90 percent. Total depreciation will not exceed 90 percent.

(5) Family housing furnishings are depreciated according to AR 210-50, paragraph 10-12k(1). Per AR 210-50, paragraph 10-

12k(2), unaccompanied personnel housing furnishings are depreciated according to AR 735-5, appendix B.

(6) For property not listed above, use 5 percent depreciation per year of service, up to 75 percent. If the years of service cannot be determined, use a standard 25 percent depreciation.

(7) The depreciation rates stated above are based on normal use. When your findings reveal the item was subjected to more or less than normal use, it is permissible to increase or decrease the rate of depreciation allowances accordingly. AR 27-20 may be used as a guide to determine a fair rate of depreciation.

e. When it is not possible or equitable to use the fair market value or depreciation allowance to determine the cost of the loss, the value of the loss or damage may be computed by subtracting the standard rebuild cost plus any salvage value from the current price of the item as listed in the AMDF. This method may only be used when—

(1) A standard rebuild cost has been published.

(2) The item was not new or recently overhauled.

(3) The item was in service long enough to warrant overhaul.

5-2. Salvage credit

The value of salvage credit for items that must be scrapped is computed by adding the value of the scrap recovered, plus the depreciated value of serviceable repair parts, components, assemblies, or end items salvaged or cannibalized. See AR 750-1 for additional information. A maintenance technician will compute the salvage credit, if any.

5-3. Fair wear and tear

The value of loss to Government property due to fair wear and tear is exempt from charges of financial liability. Fair wear and tear is determined by qualified technical inspectors.

5-4. Limits on the amount of financial liability that can be charged

a. When recommending an individual or individuals be held financially liable for the loss of Government property, determine the amount of financial liability the individual or individuals should be charged. For reports of survey recommending one individual be charged with financial liability, use figure 5-1 to determine the amount. When recommending two or more individuals with collective financial liability, use figure 5-2 to determine the amount of financial liability for each individual.

b. Normally, the amount of assessed financial liability is limited to the amount of the loss, or 1 month's base pay, whichever is less. The following exceptions to this policy are assessed the full amount of the loss for—

(1) Losses of property by the accountable officer.

(2) Losses of personal arms and equipment by military personnel.

(3) Losses by states and territories of the United States.

(4) Losses by contractors and contractor's employees.

(5) Losses by non-appropriated fund activities.

(6) Persons losing public funds.

(7) Persons who lose, damage, or destroy Government quarters, or furnishings and/or equipment provided by the Government for use in quarters, when gross negligence or willful misconduct is determined to have caused the loss. When simple negligence is determined, assessment of financial liability is limited to the amount of the loss, or 1 month's base pay, whichever is less.

c. A soldier's base pay is the amount of money collected each month by a soldier, less all allowances. For individuals in the U.S. Army Reserve and Army National Guard, 1 month's base pay is the amount the soldier would receive each month, less all allowances, if he or she were on active duty. For Department of the Army civilian employees, 1 month's base pay is equivalent to 1/12 of their annual pay.

5-5. Documenting the value of losses and amount of financial liability

The dollar value of losses and the amounts of recommended charges

of financial liability are entered, by you, in blocks 26 and 27a, b, and c, of DA Form 4697, as shown in figure 5-3.

a. Block 26 - The total cost of the loss, prior to determining the fair market value, the depreciated value, or the standard rebuild cost. When property is damaged, it is the cost to return the damaged property to its original condition at the time of the incident causing the damage.

b. Block 27a - Actual loss, is the fair market value, the depreciated value, or the standard rebuild cost as discussed in paragraph 5-1. When property is damaged, it is the cost to return the damaged property to its original condition at the time of the incident causing the damage.

c. Block 27b - Amount charged, is the amount of financial liability being recommended for assessment against an individual or individuals.

d. Block 27c - Loss to the Government, is the difference between blocks 27a and 27b (i.e., 27a less 27b equals 27c).

Sample method of computing charges of financial liability					
TYPE OF LOSS		BASIC PAY	ACTUAL LOSS	AMOUNT CHARGED	LOSS TO GOVT
1. Losses of personal arms and equipment (PA&E) military members, officers and enlisted		\$1200.00	\$ 400.00	\$ 400.00 ¹	None
		\$1200.00	\$1500.00	\$1500.00 ¹	None
2. Losses of other equipment or property (OEP); includes PA&E losses by civilian personnel. All personnel ² .		\$1200.00	\$ 500.00	\$ 500.00	None
		\$1200.00	\$2300.00	\$1200.00 ³	\$1100.00
TYPE OF LOSS	BASIC PAY	ACTUAL OEP LOSS	ACTUAL PA&E	ACTUAL CHARGES	LOSS TO GOVT
3. Combined PA&E and OEP losses by military members, officers and enlisted.	\$1200.00	\$ 400.00	\$ 500.00	\$ 900.00	None
	\$1200.00	\$ 900.00	\$ 500.00	\$1400.00	None
	\$1200.00	\$5000.00	\$5000.00	\$6200.00 ⁴	\$3800.00
4. Accountable officers are financially liable for the full amount of the loss, less depreciation.					
NOTES: 1. Officer and enlisted members are subject to liability for the entire loss. 2. See AR 735-5, paragraph 13-39 for exceptions. 3. Total liability will be 1 month's base pay. 4. Total liability for OEP will be 1 month's base pay plus the total of PA&E.					

Figure 5-1. Sample method of computing charges of financial liability (individually)

Sample method of computing charges of financial liability when more than 1 person is recommended, both collectively and individually

Person's monthly base pay (*divided*) by the total monthly base pay of all persons, (*times*) the actual loss, (*equals*) person's financial charge.

Actual Loss	=	\$2600.00
Person number 1 monthly base pay	=	\$1200.00
Person number 2 monthly base pay	=	\$1600.00
Person number 3 monthly base pay	=	\$2000.00
Total monthly base pay of all three	=	\$4800.00
<u>\$1200.00 (Person number 1)</u> \$4800.00 (Total base pay)	= 25% X \$2600.00 =	\$ 650.00
<u>\$1600.00 (Person number 2)</u> \$4800.00 (Total base pay)	= 33% X \$2600.00 =	\$ 858.00
<u>\$2000.00 (Person number 3)</u> \$4800.00 (Total base pay)	= 42% X \$2600.00 =	\$1092.00
Total financial charge	=	\$2600.00

Figure 5-2. Sample method of computing charges of financial liability (collectively)

21. APPOINTING AUTHORITY 16th DMMC Commander		22. STATION Ft. WayOut, TX 79999-5001		23. DATE 17 May 1996	
24. NAME, GRADE OF SURVEYING OFFICER Brian M. Longenecker, 1LT					
25. YOU ARE APPOINTED SURVEYING OFFICER BY ORDER OF: William E. (Type: Block 26 Total Cost (Appointing Authority))					
26. FINDINGS AND RECOMMENDATION					
<p>I have examined all available evidence as shown in exhibits <u>A</u> to <u>E</u> and as indicated below have personally investigated the same and it is my belief that the article(s) listed hereon and/or attached to sheets, total cost \$ <u>\$4300.00</u></p> <p>was lost due to negligence on the part of 2LT Casey. The missing night vision goggles were issued to 2LT Casey on 29 April 1996, exhibit A. They were issued for his exclusive use during field training exercise (Clean Sweep) through 29 May 1996. 2LT Casey had personal responsibility for the night vision goggles as discussed in AR 735-5, para 2-8d. This obligated 2LT Casey to exercise reasonable and prudent actions to properly use, care for, and safeguard the night vision goggles. When 2LT Casey left the night vision goggles in plain view to anyone looking through the side windows of the vehicle, and leaving his door unlocked, he did not provide for the safeguarding of Government property in his possession. The listed item was depreciated according to AR 735-5, para 13-32, and appendix B. The total cost of the loss after allowing depreciation is \$4085.00 (Exhibit E). Since the night vision goggles were issued to 2LT Casey for his exclusive use, the night vision goggles should be considered personal arms and equipment, and he should be charged the entire amount.</p> <p>Recommendation: 2LT Casey, O6, Block 27a Actual Loss and Block 27b Amount Charged in Block 27c Loss to Govt 25, and all others be relieved from Block 27a Actual Loss of the loss Block 27b Amount Charged \$4085.00. His EST Block 27c Loss to Govt infinite.</p>					
27. RECOMMEND PECUNIARY CHARGE		a. ACTUAL LOSS \$4085.00	b. AMOUNT CHARGED \$4085.00	c. LOSS TO GOVERNMENT 0	
28. DATE 11 June 1996		29a. TYPED NAME, GRADE OF SURVEYING OFFICER Brian M. Longenecker, 1LT		b. SIGNATURE	
30. I have examined the findings and recommendations of the Surveying Officer on this report of survey and the exhibits _____ to _____ and _____ desire to make a statement which is attached hereto: <input type="checkbox"/> do not desire to make a statement. I am aware of my right to legal advice in preparing the statement and, if a pecuniary charge is finally approved, to make appeal and (if an enlisted man) my right to request remission of indebtedness. I am/am not the accountable officer for the lost or damaged property. The property was/was not my personal arms or equipment.					
31. DATE		32a. TYPED NAME, GRADE OF INDIVIDUAL BEING CHARGED		b. SIGNATURE	
33. RECOMMENDATION BY THE APPOINTING AUTHORITY <input type="checkbox"/> CONCUR <input type="checkbox"/> NONCONCUR		34. COMMENTS			
35. DATE		36a. TYPED NAME, GRADE & TITLE OF APPOINTING AUTH		b. SIGNATURE	
37. APPROVING AUTHORITY				38. PECUNIARY CHARGE	
a. <input type="checkbox"/> REJECTED. Investigation is required. Appoint a survey officer. Date _____ Initials _____ b. <input type="checkbox"/> REJECTED. Investigation incomplete. Additional information required. Date _____ Initials _____ c. <input type="checkbox"/> APPROVED BY AUTHORITY OF THE SECRETARY OF THE ARMY.				a. ACTUAL LOSS	
				b. AMOUNT CHARGED	
				c. LOSS TO GOVERNMENT	
39. DATE		40a. TYPED NAME, GRADE & TITLE OF APPROVING AUTH		b. SIGNATURE	

Figure 5-3. Sample DA Form 4697 (blocks 26, 27a, b, & c completed)

Chapter 6

Actions After Making Recommendations

6-1. Signing the findings and recommendations

Once you have entered the findings and recommendations in block 26 of DA Form 4697, attach all exhibits, and complete blocks 28 through 29b. Ensure blocks 27a, b, and c are completed as discussed in paragraph 5-5.

6-2. Actions when financial liability is not recommended

If assessment of financial liability is not recommended, forward the original and copies (number prescribed by the local command), of the completed report of survey investigation, with all exhibits, to the approving authority or the appointing authority, as appropriate. It will be the one that appointed you as the survey officer. Retain a copy with all exhibits for reference purposes.

6-3. Actions when financial liability is recommended

a. When making a recommendation to hold an individual or individuals financially liable, make the individual(s) being recommended for the assessment of financial liability aware of your recommendations, and inform them of their rights. Individuals recommended for charges of financial liability (respondents) have the right to—

- (1) Inspect and copy Army records relating to the debt.
- (2) Legal advice as authorized by AR 27-3, paragraphs 2- 5a(6) and 3-6g(4)(b).
- (3) Submit a statement and other evidence in rebuttal of your findings and recommendations.

b. As the survey officer, you must inform the respondent of your recommendations and of their rights using a notification memorandum prepared in accordance with the example shown at figure 6-1. The endorsement at figure 6-2 should be included for the respondent to use for acknowledging receipt of notification and returning DA Form 4697 with blocks 30 through 32b completed. A complete copy of the report of survey, showing findings and recommendations, should be attached to the memorandum as an enclosure. Make sure copies of all the exhibits are attached to the report of survey. When presenting the memorandum to the respondent—

- (1) Explain the consequences of the recommendation, if the recommendation is approved by the approval authority.
- (2) Explain the significance of any statement made by the respondent regarding possible financial liability.
- (3) Consider, and attach as an exhibit to the report of survey, any statement the respondent desires to submit.
- (4) When the report of survey involves Government quarters, and/or Government furnishings and equipment therein, explain to the respondent whether gross negligence was established. If gross negligence was established, explain the consequence of the gross negligence, i.e., the full amount of the loss is assessed against the individual (see paragraph 5-4b(7)).

(5) Ensure the respondent completes blocks 30 through 32a and signs block 32b of DA Form 4697 acknowledging his or her understanding of his/her rights, as shown in figure 6-3. A copy may be

made of the DA Form 4697 (reverse side) by the survey officer or the respondent for this purpose.

c. In the notification memorandum, inform the individual when their rebuttal statement or other evidence must be received in order for it to be considered in the determination of whether or not financial liability will be assessed.

(1) Normally, when individuals being recommended for assessment of financial liability are at the same installation as the survey officer, the notification memorandum with enclosed report of survey is hand delivered to the individual. Seven calendar days from the date of receipt are allowed for the individual to submit a rebuttal statement or other evidence.

(2) Individuals unavailable, but within the same country as the survey officer, are normally allowed 15 calendar days from the date the notification memorandum was mailed to submit their rebuttal statement or other evidence.

(3) For those individuals unavailable and in a different country than the survey officer, 30 calendar days from the date the notification memorandum was mailed are normally allowed for individuals to submit their rebuttal statement or other evidence.

d. Notification of unavailable individuals is made using certified mail, return receipt requested. Copies of the notification memorandum, together with the evidence of the mailing and return receipt, are attached to the report of survey as exhibits. Mark the exhibits as shown in paragraph 3-1f.

e. When you receive a rebuttal statement or other evidence within the allowed time, consider the report of survey with any new evidence or allegations of error presented by the respondent. Make a recommendation in block 26 or on a continuation sheet following the original recommendation, and attach the rebuttal statement to the report of survey as an exhibit. See paragraph 3-1f for marking exhibits. At this time, forward the completed report of survey to the approval authority or appointing authority, as appropriate. It will be the one who appointed you as survey officer.

f. If you do not receive a rebuttal statement or other evidence from the individual within the allowed time, forward the completed report of survey to the approving authority or appointing authority, as appropriate.

g. In the event you receive a rebuttal statement or other evidence after the allowed time, consider any new evidence presented by the individual. If you deem appropriate, amend the recommendations to the approval authority, and forward the amended recommendation through the same channels by which the report of survey was processed.

6-4. Forwarding the completed report of survey for approval

When you have completed the report of survey, forward it in original with copies (number prescribed by local command) and copies of all attached exhibits, to the approving authority or the appointing authority, whichever one appointed you as the survey officer. Retain a copy with all exhibits for reference purposes.

DEPARTMENT OF THE ARMY
ORGANIZATIONAL NAME/TITLE
CITY, STATE, AND ZIP CODE

OFFICE SYMBOL (MARKS Number)

MEMORANDUM THROUGH (Commander of individual recommended for assessment
of financial liability)

FOR (Name and grade of individual(s) recommended for assessment of
financial liability)

SUBJECT: Financial Liability, Report of Survey Number (number),
(\$ amount)

1. You are hereby notified that you are being recommended for assessment of financial liability to the U.S. Government, in the amount of (\$ amount) for the loss of Government property investigated under subject report of survey (encl).

2. Your attention is invited to AR 735-5, chapter 13, which lists your rights relative to this matter at this time. You have the right to:

a. Inspect and copy Army records relating to the debt, per AR 735-5, paragraph 13-34(b)(1).

b. Legal advice, per AR 735-5, paragraph 13-34(b)(2), as qualified by AR 27-3, paragraphs 2-5 and 3-6g(4)(b).

c. To submit a statement and other evidence to the approving authority in rebuttal of my recommendations, per AR 735-5, paragraph 13-35.

3. I will hold the report of survey until (date rebuttal statement or other evidence must be received), awaiting receipt of your statement or other evidence, before forwarding subject report of survey to the approval authority.

4. You are requested to sign the endorsement on the following page. Complete blocks 30 through 32a of DA Form 4697 indicating you understand your rights and indicate whether you desire to submit a rebuttal statement or other evidence. You may make a copy of the reverse side of the enclosed DA Form 4697 for this purpose if you desire to retain the enclosed copy. Please return these documents to me as soon as possible.

Encl

(signature of survey officer)
**(Signature Block
of Survey Officer)**

Figure 6-1. Sample memorandum for financial liability

OFFICE SYMBOL (MARKS Number) 1st End
SUBJECT: Financial Liability, Report of Survey Number (number),
(\$ amount)

THRU (Individual's Commander)

FOR (Survey Officer)

I hereby acknowledge receipt of the notice contained in basic correspondence informing me of your intention to recommend assessment of financial liability against me. I am aware of my rights as listed in the basic correspondence. A copy of DA Form 4697, with blocks 30 through 32a completed, is returned as requested (Encl 2).

2 Encl	(Signature of respondent)
1. w/d	(Signature Block
Added 1 encl	Of individual recommended)
2. Copy of DA Form 4697	

Figure 6-2. Sample memorandum of reply to financial liability

21. APPOINTING AUTHORITY Garrison Commander		22. STATION Ft Way Out, TX 78234	23. DATE 18 June 1994
24. NAME, GRADE OF SURVEYING OFFICER Brian M. Longenecker, 1LT			
25. YOU ARE APPOINTED SURVEYING OFFICER BY ORDER OF: William E. Connely, LTC <i>(Typed name, grade of Appointing Authority)</i>			
26. FINDINGS AND RECOMMENDATION <p>I have examined all available evidence as shown in exhibits <u>A</u> to <u>E</u> and as indicated below have personally investigated the same and it is my belief that the article(s) listed hereon and/or attached to sheets, total cost \$ <u>\$4300.00</u></p> <p>was lost due to negligence on the part of 2LT Casey. The missing night vision goggles were issued to 2LT Casey on 5 July 1994, exhibit A. They were issued for his exclusive use during field training exercise (Clean Sweep) through 29 July 1994. 2LT Casey had personal responsibility for the night vision goggles as discussed in AR 735-5, paragraph 2-8d. This obligated 2LT Casey to exercise reasonable and prudent actions to properly use, care for, and safeguard the night vision goggles. When 2LT Casey left the night vision goggles in plain view to anyone looking through the side windows of the vehicle and leaving his door unlocked, he did not provide for the safeguarding of Government property in his possession. The listed item was depreciated according to AR 735-5, paragraph 13-32 and appendix B. The loss to the Government is \$4085.00 (Exhibit E). Since the night vision goggles were issued to CPT Casey for his exclusive use, the night vision goggles should be considered personal arms and equipment, and he should be charged the entire amount of the loss to the Government per AR 735-5, paragraph 13-42a(6). Recommendation: That CPT Casey, 000-00-0000, be held financially liable in the amount of \$4085.00, and all others be relieve from property accountability for the missing item. CPT Casey's monthly base pay at the time of the loss is indefinite.</p>			
27. RECOMMEND PECUNIARY CHARGE		a. ACTUAL LOSS \$4085.00	b. LOSS TO GOVERNMENT 0
28. DATE 11 July 1994	29a. TYPED NAME, GRADE OF SURVEYING OFFICER Brian M. Longenecker, 1LT	b. SIGNATURE <i>Brian M. Longenecker</i>	
30. I have examined the findings and recommendations of the Surveying Officer on this report of survey and the exhibits <u>A</u> to <u>E</u> and <input checked="" type="checkbox"/> desire to make a statement which is attached hereto; <input type="checkbox"/> do not desire to make a statement. I am aware of my right to legal advice in preparing the statement and, if a pecuniary charge is finally approved, to make appeal and (if an enlisted man) my right to request remission of indebtedness. I am not the accountable officer for the lost or damaged property. The property was not my personal arms or equipment.			
31. DATE 14 July 1994	32a. TYPED NAME, GRADE OF INDIVIDUAL BEING CHARGED Charles D. Casey, 2LT	b. SIGNATURE <i>Charles D. Casey</i>	
33. RECOMMENDATION BY THE APPOINTING AUTHORITY <input type="checkbox"/> CONCUR <input type="checkbox"/> NONCONCUR	34. COMMENTS		
35. DATE	36a. TYPED NAME, GRADE & TITLE OF APPOINTING AUTH	b. SIGNATURE	
37. APPROVING AUTHORITY a. <input type="checkbox"/> REJECTED. Investigation is required. Appoint a survey officer. Date _____ Initialed _____ b. <input type="checkbox"/> REJECTED. Investigation incomplete. Additional information required. Date _____ Initials _____ c. <input type="checkbox"/> APPROVED BY AUTHORITY OF THE SECRETARY OF THE ARMY.			38. PECUNIARY CHARGE a. ACTUAL LOSS b. AMOUNT CHARGED c. LOSS TO GOVERNMENT
39. DATE	40a. TYPED NAME, GRADE & TITLE OF APPROVING AUTH	b. SIGNATURE	

Figure 6-3. Sample DA Form 4697 (blocks 30 thru 32b completed)

Chapter 7 Financial Liability

7-1. Financial liability

What standards do you use to determine whether negligence or misconduct was involved? To recommend financial liability, you must believe that the evidence supports the decision. You can recommend the assessment of financial liability against a person for the loss of, or damage to, Government property only if you believe their negligence or willful misconduct was the proximate cause of the loss or damage. To make such a determination, you must understand what is meant by the terms "negligence" and "willful misconduct".

a. Negligence. The failure to act as a reasonable and prudent person would have acted under similar circumstances. An act or omission that a reasonable and prudent person would not have committed or omitted under similar circumstances and which is the proximate cause of the loss of, damage to, or destruction of Government property. Failure to comply with existing laws, regulations, or procedures may be considered as evidence of negligence. In each of the following cases, a reasonable and prudent person with a normal IQ could foresee that a problem could result from his or her action. When the person did not exercise the care required by the circumstances, he or she was negligent.

(1) The soldier drove the vehicle at a speed excessive for road and weather conditions. When he or she attempted to stop the vehicle, the vehicle slid off the road into a ditch, causing damage to the right front axle.

(2) A soldier leaned his or her weapon against the open ramp of an armored personnel carrier. Someone closed the ramp, and the weapon was damaged.

(3) A driver was carrying a large air compressor in the back of the truck. He or she failed to check the lashings securing the compressor before leaving. As the vehicle rounded a curve, the compressor slid off the truck and was damaged.

(4) A driver backed a vehicle without a ground guide, and struck a post, causing damage to the left rear bumper of the vehicle.

(5) The incoming commander did not have time to conduct a joint inventory with the outgoing commander before accepting command, and did not ensure that unit property was sub-hand receipted during his or her tenure as commander. Upon his or her departure from command, the joint inventory between him or her and the incoming commander revealed several shortages of unit property.

b. Willful misconduct. Willful misconduct is an intentionally wrongful or unlawful act or omission. It is either a willful act contrary to, or a willful failure to do something required by law or regulation. Misappropriation and theft are examples of willful misconduct.

(1) The misappropriation which concerns you is the use of Government property for unauthorized personal use. For example, it may be the use of a military vehicle by a soldier or civilian employee to transport him or her to and from their home for lunch, or the use of organizational clothing and individual equipment when a soldier takes his or her children camping for the weekend with resulting loss or damage.

(2) The theft which concerns you is the taking of Government property without permission, and to use or dispose of it as though it were their own.

c. Difference between offenses. What is the difference between negligence and willful misconduct? To find negligence you do not have to find evidence of intent. However, for willful misconduct, you must find evidence of intent. That is, it must be a deliberate act.

7-2. Proximate cause

a. What is proximate cause? Proximate cause is defined as the cause that, in a natural and continuous sequence, unbroken by a new cause, produces the loss or damage, and without which the loss or damage would not have occurred. Stated more simply, proximate cause is the immediate or direct cause of the loss.

b. How does proximate cause affect individual liability? A determination that a person is negligent or has committed an act of willful misconduct is not alone sufficient cause to hold him or her financially liable. The evidence must also indicate the willful misconduct or negligent act was the proximate cause of the loss, damage, or destruction of the Government property.

c. Examples of proximate cause. Perhaps it would be better to explain the term by giving a few examples.

(1) The driver of a military vehicle was driving at a speed of 65 MPH, 20 MPH above the posted speed limit. When reaching the top of the hill, the driver became aware of another vehicle to his or her immediate front. The driver was unable to slow down in time to prevent hitting the other vehicle. In this case, the proximate cause for the accident was clearly the driver's excessive speed. The accident would not have happened if he or she had not been driving too fast. Suppose the other vehicle was coming the wrong way on a one way road. You could then recommend both drivers be charged with financial liability, if you believed they both contributed to the accident. You could reason that there was concurrent negligence. Concurrent negligence arises when an accident is caused by the concurrent wrongful acts of two or more persons acting independently.

(2) In another case, the driver of vehicle "A" drove at the posted speed limit. The driver of vehicle "B" came out of a side street from which he or she did not have the right of way, and hit vehicle "A". In this case the proximate cause was the negligent act of the driver of vehicle "B".

d. Judgement as a factor. Common sense and good judgement should always be used in determining the proximate cause. Although the speed limit in a particular place may be 30 miles per hour, a person cannot always drive at that speed. At times the street may be so crowded, or so icy that even 20 miles per hour is a reckless and excessive rate of speed.

e. Recognition of proximate cause. Sometimes you have to look long and hard at the facts. At times, what appears to be the proximate cause may not be.

(1) For example, SGT Jones was on permanent duty as Sergeant of the Guard. Due to the shortage of experienced drivers, the guard vehicle was assigned directly to SGT Jones, with instructions that only he would drive the vehicle. However, SGT Jones took it upon himself to allow SPC Smith to drive the soldiers to and from their guard posts. SPC Smith was involved in an accident. The investigation revealed that SPC Smith operated the vehicle in a safe and careful manner. However, icy road conditions and snow-filled ruts caused the vehicle to turn over. The survey officer recommended that Sergeant Jones be held financially liable because of SGT Jones' decision to allow SPC Smith to drive the vehicle, even though he had been instructed to drive the vehicle himself. The survey officer stated in his findings that there was no negligence on the part of the driver, SPC Smith, and since he was an experienced, licensed driver, it must be assumed that, under the same given set of circumstances, the accident would have occurred no matter who was driving. Therefore, the proximate cause for the accident was not SGT Jones' negligence in permitting an unauthorized driver to drive the vehicle, but the existing road conditions. SGT Jones' wrongful action in permitting SPC Smith to drive the soldiers to and from their guard posts might have left him open to adverse administrative action. However, the report of survey is not the proper instrument to use in this case. SGT Jones' commander could give him an oral reprimand, a formal letter of reprimand, or a notation on his NCO evaluation report. He could also discipline him through an Article 15 or a court-martial under the Uniform Code of Military Justice.

(2) In another case, PFC Jones, the driver of a military sedan, drove at a speed higher than the posted speed limit. He hit the vehicle in front of him, causing damage to the front of his vehicle. PVT Downey, the driver of the tow truck was called to tow the damaged military sedan from the scene of the accident. PVT Downey improperly hooked the towing equipment to the military sedan causing damage to the rear bumper. In this case, PFC Jones

was held financially liable for the damage to the front of the military sedan. However, he was not held financially liable for the damage to the rear bumper because his negligence (speeding) was not the proximate cause for the damage to the rear. PVT Downey's negligent actions (improper hook up of towing equipment) was an "intervening cause." An intervening cause is a new and independent force that breaks the causal connection between the original wrong-doing and the injury. It becomes the direct and immediate cause itself. PVT Downey's act of improperly hooking the towing equipment broke into the ordinary course of events. PVT Downey's negligence was sufficient itself to cause the damage to the rear of the military sedan. The original speeding had nothing directly to do with that damage. As a general rule, if the result of the negligence was not one which might have been reasonably foreseen, then the negligence was not the proximate cause for the loss. In the above example, it was reasonably foreseeable that speeding could cause an accident. It was not reasonably foreseeable that a tow truck would further damage the vehicle if an accident did occur. In this case, you should recommend holding PFC Jones financially liable for the damage to the front of the military sedan, and PVT Downey financially liable for the damage to the rear bumper. Each of the drivers could reasonably have foreseen the possible damage to the vehicle as the result of their actions.

7-3. Recommendation for assessment of financial liability

When do you recommend a person for assessment of financial liability? Financial liability is the indebtedness of an individual to the U.S. Government for property that was lost, damaged, or destroyed as a result of their negligence or willful misconduct. The liability results when the individual's negligence or willful misconduct (including willful misappropriation) is the proximate cause of the loss, damage, or destruction of Government property.

a. You can recommend an individual be held financially liable for the loss, damage, or destruction of Government property if they had personal or non-personal responsibility for the property, and their negligence or willful misconduct caused the loss, damage, or destruction of the property.

b. You can recommend an individual be held financially liable for a loss, even though the property was not in their personal possession or under their supervisory control. As an example, a soldier carelessly backing a forklift within a warehouse hits a pallet of fragile supplies, i.e., cases of fluorescent light bulbs, breaking them all. The soldier did not have possession of the fluorescent light bulbs, nor did he or she have supervisory responsibility for the light bulbs. However, the proximate cause of the breakage was the soldier's negligence in carelessly backing the forklift.

Chapter 8 Special Considerations

8-1. Considerations

What do you consider when investigating the loss of Government property? As the survey officer, you are trying to decide whether a person's actions were the proximate cause for the loss of, damage to, or destruction of Government property. Consider the following before making a recommendation:

a. *Degree of care and resourcefulness.* Weigh the actions of the person involved against those of a reasonable and prudent person. (A prudent person is one who uses good judgment and common sense in handling practical matters; is careful about his or her conduct; and not wasteful or extravagant in the use of resources). Also consider their age, experience, and any special qualifications needed to do the job. The following scenarios help to illustrate these points—

(1) PV2 Shannon, a non-driver, was attending a driver training course. His instructor told him to back the vehicle into a parking place. In attempting to place the vehicle in reverse, he inadvertently

shifted into third gear. The vehicle leaped forward and struck a tree. In this case, you should consider PV2 Shannon's lack of experience.

(2) Eighteen year old PVT Smitdlap, a new member in the unit, while participating in his first field training exercise was assigned to the aggressor forces. While trying to avoid being captured by the enemy forces, he found a HMMWV, got in and drove off. The HMMWV was assigned to 1LT Hunter, who when he noticed the HMMWV being driven off by an unknown individual, shouted to PVT Smitdlap to come back with his vehicle. PVT Smitdlap, continuing to flee the enemy, drove off at a high speed. He did not stop until he discovered he was entangled in barbed wire, causing damage to the HMMWV. PVT Smitdlap's commanding officer and his platoon leader both stated he was caught up in his aggressor role and that he was totally intent on accomplishing his mission of avoiding capture by the enemy forces. In this case, consider PVT Smitdlap's age, his lack of experience, and his limited intellectual capability. You could recommend he be relieved of responsibility for the damage to the HMMWV, if you believe these elements warranted it.

b. *Responsibility of the person for the property (personal or non-personal).* When a person holds property like organizational clothing and individual equipment, personal arms, binoculars, or hand-tools that have been issued to them for their personal use, they have personal responsibility. When a person converts property to his or her own use without permission or authority, as when they steal a vehicle, that person has personal responsibility. When a person commands or supervises others who use property or have custody of property, they have non-personal (either command or supervisory) responsibility. If there was non-personal responsibility, the following elements can effect your decision:

(1) The nature of the property.

(2) The nature, extent, and complexity of the organization or activity they commanded or supervised. How feasible was it to keep close supervision over the property? You should check the factors that contributed to the loss or damage.

(3) The adequacy of the measures set up for the supervision of subordinates to ensure property was properly used and cared for, and that proper custody and safekeeping were provided.

(4) The extent to which supervision by a commander may have been hampered by other pressing duties or by a lack of qualified assistants.

c. *Possibility of fraud, collusion, or willful misconduct.* If there is any suspicion of fraud, collusion, or other willful misconduct incident to a property loss on the part of a military or civilian employee of the Army, you must be especially careful to make a thorough investigation of the facts. Fraud is the misrepresentation of truth to induce another to part with something of value or to surrender a legal right. It is also a deceitful act with the intent to deprive another of his or her rights or to cause him or her injury. Collusion is a secret agreement and cooperation for a fraudulent or deceitful purpose. You must not recommend relief from property responsibility or financial liability until all persons are completely cleared of suspicion of these crimes.

8-2. Sensitive items

What evidence do you consider when investigating the loss of sensitive items? Sensitive items must be stored in a special storage facility. Only the minimum number of personnel should have access to sensitive items. When conducting a report of survey investigation on the loss of a sensitive item, the following questions may be asked—

- a. What security measures were taken?
- b. Were key control procedures adequate?
- c. Who had responsibility for the lost sensitive items?
- d. Who had access to the sensitive items?
- e. When were the sensitive items last inventoried, and by whom?
- f. When were the sensitive items last seen and by whom?
- g. What action was taken to recover the items?
- h. Were appropriate notices placed in the daily bulletin?

i. Was the loss properly reported to the Criminal Investigation Division.

8-3. Vehicular accidents

What evidence do you look at when investigating a vehicle accident? When the report of survey involves a vehicle accident several categories of evidence should be considered.

a. *Type of road.* If possible, examine the site of the accident. Look at the type of road on which the accident took place. Is it macadam, asphalt, cobblestones, or dirt?

b. *Weather and visibility.* At the time of the accident, was it sunny and bright, or was it foggy, snowing, or raining? Did it happen at night? How good was the visibility at the time of the accident?

c. *Speed.* How fast was the person driving at the time of the accident? Before the accident? Did the person suddenly speed up? Did the person obey the posted traffic signals and traffic laws?

d. *Statements.* Do you have statements from the driver of the vehicle being surveyed, and the driver of the other vehicle involved? Obtain statements from witnesses.

e. *Accident report.* Has DA Form 3946 (Military Police Traffic Accident Report) been included as an exhibit? Has an accident report from a civilian policeman been included?

f. *Driver's qualifications.* Has DA Form 348 (Equipment Operator's Qualification Record (Except Aircraft)) been included in the file?

g. *Pictures.* Have pictures been used to show damage? If so, has the damage been explained? You may have to take the pictures yourself or have them taken. Have you looked at the vehicle yourself? Look at the vehicle before releasing it for repair or turn-in.

h. *Cost of damages.* Has the actual cost of damages been included? If not, submit a request for technical inspection and cost of repairs to the supporting maintenance activity. DA Pamphlet 738-750, paragraph 3-6b(1)(e), and figure 3-19 provide instructions for submitting a request for technical inspection.

8-4. Special considerations for a convoy incident

What points may be important in a report of survey involving a convoy? If investigating the damage to a vehicle that was part of a convoy, consider certain points of information. What interval did the convoy commander prescribe before departure? What was the interval kept by the driver just before, or at the time of the accident? Did the convoy commander furnish special instructions before crossing the initial point?

a. In one case a van, part of a convoy, incurred damage to its roof while passing under a low archway. A question arose as to whether the driver was negligent because he or she did not check the height of the archway before driving through. Evidence showed that the convoy commander had prescribed a convoy interval of 100 yards for all vehicles. The same convoy interval was to be maintained at all halts.

b. The convoy commander stopped his or her lead vehicle to check whether the larger vehicles could pass under the archway. At the halt, a 2-1/2 ton truck just ahead of the respondent's truck in the convoy stopped 20 yards on the other side of the archway. Should you, the survey officer, recommend holding the driver of the van liable for the damage to the roof of his truck? Yes. When the 2-1/2 ton truck stopped, the driver of the van truck should not have attempted to pass through the archway. He should have stopped about 80 yards back of the archway because the prescribed convoy interval was 100 yards, even at halts. The driver of the van was negligent in that he or she did not follow the instructions of the convoy commander to maintain a 100 yard interval at all times, to include halts. The driver was also negligent in that he or she failed to ensure the vehicle could safely clear the archway before proceeding through.

8-5. Loss of communication wire

What evidence do you look at in an investigation of the loss of

communication wire? In an investigation involving the loss of communication wire, look at the unit's Modified Table of Organization and Equipment allowance to determine the length of wire authorized, and the length of wire laid. The second piece of information is important because you must consider the relative percentage of loss. If 100 miles of wire were laid and just 300 feet were lost, no negligence may be involved. However, if 20 miles were extended and 18 miles were lost, then it would seem obvious that negligence or even theft was involved unless further evidence shows fully why the loss occurred. You should also check to find out whether precautionary measures were set up to safeguard the wire.

8-6. Inventory losses

What points do you check for losses that show up on an inventory? Consider the circumstances and facts that are special in each case you investigate. When investigating the loss of items that have shown up as short on an inventory, you should ask questions that involve accounting procedures and also the procedures used in the inventory.

a. Was the property account maintained according to the policy contained in AR 710-2?

b. Were proper hand receipt procedures used? Were individuals required to receipt for property issued to them?

c. Did the user have a secured storage area in which to store property issued to him or her?

d. Was adequate supervision maintained over the unit supply room, or the hand receipt holder, as appropriate?

e. If proper procedures were not followed, did the commander and/or the supply officer take measures to correct the situation? What steps did he or she take?

Appendix A References

Section I Required Publications

AR 15-6

Procedures for Investigating Officers and Boards of Officers. (Cited in para 3-1e)

AR 27-3

The Army Legal Assistance Program. (Cited para 6-3a(2).)

AR 210-50

Housing Management. (Cited in para 5-1c)

AR 710-2

Supply Policy Below the Wholesale Level. (Cited in para 8-6a)

AR 735-5

Policies and Procedures for Property Accountability. (Cited in paras 1-5, 2-1, 3-1g, 4-6, and 5-1a and c.)

AR 750-1

Army Materiel Maintenance Policies and Retail Maintenance Operations. (Cited in para 5-2.)

DA Pam 738-750

Functional Users Manual for the Army Maintenance Management System (TAMMS). (Cited in paras 3-1b and 8-3h.)

AMDF

Army Master Data File. (Cited para 5-1d.)

DoD 7200.10-M

Department of Defense Accounting and Reporting for Government Property Lost, Damaged or Destroyed. (Cited in para 1-5.)

Title 10, U.S. Code 2775

Liability of member for damages to family housing, equipment, and furnishings. (Cited in para 1-5.)

Title 10, U.S. Code 4832

Property accountability: regulations. (Cited in para 1-5)

Title 37, U.S. Code 1007(e)

Deductions from pay. (Cited in para 1-5.)

Section II Related Publications

This section contains no entries.

Section III Prescribed Forms

This section contains no entries.

Section IV Referenced Forms

DA Form 348

Equipment Operator's Qualification Record

DA Form 2823

Sworn Statement

DA Form 3946

Military Police Traffic Accident Report

DA Form 4697

Department of the Army Report of Survey

Glossary

Section I Abbreviations

AMDF

Army Master Data File

OCIE

Organizational clothing and individual equipment

OEP

Other equipment or property

PA&E

Personal arms and equipment

Section II Terms

Abuse

Willful misconduct or deliberate unauthorized use.

Accountability

The obligation imposed by law, lawful order, or regulation on an officer or other person for keeping an accurate record of property, documents, or funds. Includes identification data, gains, losses, dues-in, dues-out and balances on hand or in use. The person having this obligation may or may not have actual possession of the property, documents, or funds.

Accountable officer

Person officially appointed in writing, by proper authority, to maintain item and/or financial records of Government property, irrespective of whether the property is in their possession for use or storage, or is in the possession of others to whom it has been officially entrusted for use or for care and safekeeping. There are three types of supply accountable officers—

a. Transportation officer, accountable for property entrusted to him or her for shipment.

b. Stock record officer, accountable for supplies being held for issue from time of receipt until issued, shipped or dropped from accountability.

c. Property book officer, accountable for property upon receipt and until subsequently turned in, used (consumed) for authorized purposes, or dropped from accountability. (Hand receipt holders are not considered accountable officers.)

Appointing authority

An officer or civilian employee designated in writing by the approving authority with responsibility for appointing report of survey investigating officers; reviewing the survey officer's findings and recommendations; and providing his or her concurrence/nonconcurrence to the approving authority of the survey officer's findings and recommendations. The appointing authority is normally under the command of, or on the staff of the approving authority. An appointing authority must be in

the grade of lieutenant colonel or above, or be a GS-13 or above. (For exceptions, see AR 735-5, paragraph 13-16c(1) and (3)).

Approving authority

An Army officer or Department of the Army civilian employee authorized to appoint survey officers and to approve reports of survey "by authority of the Secretary of the Army." An approving authority must be in the grade of lieutenant colonel or above, or be a GS-14 or above, in a supervisory position. The approving authority is normally senior to the appointing authority.

Causative research

An investigation of discrepancies (i.e., gains and losses) consisting of (as a minimum) a complete review of all transactions to include supporting documentation, i.e., catalog change actions, shipment discrepancies, and unposted or rejected documentation occurring since the last completed inventory; the last location reconciliation which included quantity; or back one year, whichever is most recent. The purpose of causative research is to identify, analyze, and evaluate the cause(s) of inventory discrepancies with the aim of eliminating repetitive errors. Causative research ends when the cause(s) of the discrepancies have been discovered or when, after review of the transactions, no conclusive findings are possible.

Collective liability

Where more than one individual is held financially liable for a loss, both collectively and individually.

Commander

An individual vested with command authority.

Command responsibility

The obligation of a commander to ensure that all Government property within his or her command is properly used and cared for, and that proper custody and safekeeping of Government property are provided. Command responsibility is inherent in command and cannot be delegated. It is evidenced by assignment to a command position at any level and includes—

a. Ensuring the security of all property of the command, whether in use or in storage.

b. Observing subordinates to ensure their activities contribute to the proper custody, care, use, and safekeeping of all property within the command.

c. Enforcing all security, safety, and accounting requirements.

d. When necessary, taking administrative or disciplinary measures.

Controlled inventory items

Those items designated as having characteristics which require they be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safekeeping and integrity. Controlled inventory items,

in descending order of the degree of control normally exercised, are:

a. *Classified items.* Materiel requiring protection in the interest of national security.

b. *Sensitive items.* Material requiring a high degree of protection and control due to statutory requirements or regulations; high value, highly technical, or hazardous items; and small arms, ammunition, explosives, and demolition materiel. (See controlled inventory item codes (CIIC) 1-6, 8, 9, S, N, P, Q, R, and Y for night vision devices in the AMDF as explained by AR 708-1).

c. *Pilferable item.* Materiel having ready resale value or civilian application to personal possession, and therefore, especially subject to theft. Examples are binoculars, projectors, cigarettes, pagers, hand held two-way radios, cameras, tapes, or recorders. (See CIIC codes in the AMDF as explained by AR 708-1.)

Culpability

A determination of fault. Before a person can be held financially liable, the findings must show that he or she, through negligence or willful misconduct, violated a particular duty involving the care for the property. Whether the person's actions or omissions constitute negligence depends on the circumstances of each case. Negligence under some circumstances may not reflect negligence under other circumstances. Therefore, all facts must be fully considered when determining the reasonableness of a person's conduct.

Custodial responsibility

The obligation of an individual for property in storage awaiting issue or turn-in to exercise reasonable and prudent actions to properly care for, and ensure proper custody and safekeeping of the property are provided. Custodial responsibility results from assignment as a supply sergeant, supply custodian, supply clerk, or warehouse person who is rated by and answerable directly to the accountable officer or the individual having direct responsibility for the property. Responsibilities include—

a. Ensuring the security of all property stored within the supply room and storage annexes belonging to the supply room or SSA is adequate.

b. Observing subordinates to ensure their activities contribute to the proper custody, care, and safekeeping of all property within the supply room and storage annexes belonging to the supply room or SSA.

c. Enforcing all security, safety, and accounting requirements.

d. When unable to enforce any of these, reporting the problem(s) to their immediate supervisor.

Damage

A condition that impairs either the value or use of an article; may occur in varying degrees. Property may be damaged in appearance or in expected useful life without rendering it unserviceable or less useful. Damage also shows partial unserviceability.

Usually implies that damage is the result of some act or omission.

Deliberate unauthorized use

Willful or intentional use without right, permit, or authority.

Direct responsibility

Obligation of a person to ensure that all Government property for which he or she has receipted is properly used and cared for, and that proper custody and safekeeping are provided. Direct responsibility results from assignment as an accountable officer, receipt of formal written delegation, or acceptance of the property on hand receipt from an accountable officer. Commanders and/or supervisors will determine and assign, in writing, the individuals who will have direct responsibility for property.

Financial liability

The statutory obligation of an individual to reimburse the Government for lost, damaged, or destroyed Government property as a result of negligence or abuse.

Gross negligence

An extreme departure from the course of action to be expected of a reasonably prudent person, all circumstances being considered. The act is characterized by a reckless, deliberate, or wanton disregard of the foreseeable consequences.

Investigation

Means of determining the facts related to the loss, damage, or destruction of Government property; determining the present condition of such property; receiving recommendations as to disposition, retention, and further accountability for such property; or determining the responsibility for the loss, damage, or destruction of Government property.

Item

A generic term meaning any article of material which is produced, stocked, issued, or used.

Liability

The state of being responsible or answerable for the loss, damage, or destruction of Government property.

Negligence

The failure to act as a reasonably prudent person would have acted under similar circumstances. An act or omission that a reasonably prudent person would not have committed, or omitted, under similar circumstances and which is the proximate cause of the loss of, damage to, or destruction of Government property. Failure to comply with existing laws, regulations, and/or procedures may be considered as evidence of negligence.

Personal Arms or Equipment

Equipment or clothing issued to individuals for their sole use and care, such as weapons, personal retention items, mobility kit bags,

flight jackets, parkas, and similar items. In defining personal arms or equipment, determine how the property is used by the member, and whether it is turned in at the end of the work shift. This is especially true when dealing with portable radios and hand tools. A portable radio, for example, is personal equipment when an individual uses it constantly, carries it wherever he or she goes, and has it for an indefinite period of time. However, it is not personal equipment when the individual has it for a specified time while on duty, and turns it in to be used by others at the end of a shift.

Personal property

Property of any kind or any interest herein, except real property, and records of the Federal Government.

Personal responsibility

The obligation of a person to exercise reasonable and prudent actions to properly use, care for, and safeguard all Government property in their possession. Applies to all Government property issued for, acquired for, or converted to a person's exclusive use, with or without receipt.

Property

Anything that may be owned. As used in the Army, this term is usually confined to "tangible property," including real estate and material. For special purposes and as used in certain statutes, this term may exclude such items as the public domain, certain lands, and records of the Federal Government.

Property records and property account

General term referring to any record of property. This includes not only formal stock record accounts maintained in item or monetary terms by accountable officers, but also organizational and installation property book records, individual clothing and equipment records, hand receipt records, or any system of files for property records.

Proximate cause

The cause which, in a natural and continuous sequence of events unbroken by a new cause, produced the loss or damage. Without this cause, the loss or damage would not have occurred. It is further defined as the primary moving cause, or the predominate cause, from which the loss or damage followed as a natural, direct, and immediate consequence.

Record

All forms of information (e.g., narrative, graphic data, and computer memory) registered in either temporary or permanent form so that it can be retrieved, reproduced, or preserved.

Respondent

Any individual, state or entity against whom financial liability is recommended or assessed.

Responsibility

The obligation of an individual to ensure that Government property and funds entrusted to his or her possession, command, or supervision are properly used and cared for and that proper custody and safekeeping are provided. There are five types of responsibility as defined in this glossary—

- a. Command responsibility.
- b. Supervisory responsibility.
- c. Direct responsibility.
- d. Custodial responsibility.
- e. Personal responsibility.

Simple negligence

The failure to act as a reasonably prudent person would have acted under similar circumstances.

Supervisory responsibility

Obligation of a supervisor to ensure all Government property issued to, or used by his or her subordinates is properly used and cared for, and that proper custody and safekeeping of the property are provided. It is inherent in all supervisory positions and is not contingent upon signed receipts or responsibility statements. It arises because of assignment to a specific position and includes—

- a. Providing proper guidance and direction.
- b. Enforcing all security, safety, and accounting requirements.
- c. Maintaining a supervisory climate that will facilitate and ensure the proper care and use of Government property.

Willful misconduct

Any intentional wrongful or unlawful act or omission relating to Government property, to include misappropriation of Government property.

Section III**Special Abbreviations and Terms**

There are no entries in this section.

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